

Message Text

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70

ACTION STR-04

INFO OCT-01 IO-11 ISO-00 STRE-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01

AF-06 ARA-06 EA-07 EUR-12 NEA-10 OIC-02 /135 W

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FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1243

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ACTION STR

H PASS CODEL

EO 11652: N/A

TAGS: ETRD MTN

SUBJECT: QR CONSULTATIONS

REF: MTN GENEVA 0917

1. WE RECEIVED THE FOLLOWING RESPONSE FROM JAPANESE TO US REQUEST FOR INITIATION OF QR CONSULTATIONS. THIS RESPONSE IS CONTRARY TO JAPANESE POSITION EXPRESSED IN US/JAPANESE BILATERALS (REFTEL) WHICH INDICATED THEY WERE READY TO BEGIN CONSULTATIONS. FOLLOWING JAPANESE TEXT IS OUR DRAFT RESPONSE.

2. QUOTE IN REFERENCE TO AMBASSADOR WALKER'S LETTER OF FEBRUARY 10, 1976, ADDRESSED TO AMBASSADOR TSURUMI, AND UPON INSTRUCTIONS FROM LIMITED OFFICIAL USE

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MY GOVERNMENT, I WISH TO INFORM YOU OF THE FOLLOWING:

1. ACCORDING TO THE DECISION TAKEN AT THE MEETING OF SUB-GROUP "QUANTITATIVE RESTRICTIONS" IN APRIL 1975 THE "PROCESS OF INFORMATION, EXAMINATION AND DIALOGUE" WOULD TAKE PLACE "BETWEEN COUNTRIES MAINTAINING RESTRICTIONS AND COUNTRIES NOTIFYING A DIRECT TRADE INTEREST IN THESE RESTRICTIONS."

HOWEVER, THE US REQUEST LIST TO JAPAN, UNLIKE THOSE FROM OTHER REQUESTING COUNTRIES, SEEMS TO BE ADDRESSED TO ALL THE QUANTITATIVE RESTRICTIONS JAPAN MAINTAINS IN AN EXTREMELY GENERAL MANNER. SO AS TO BE ABLE TO HAVE MEANINGFUL CONSULTATIONS IT WOULD BE DESIRABLE IF THE US WOULD INDICATE MORE CONCRETELY AND SPECIFICALLY THE QUANTITATIVE RESTRICTIONS OF DIRECT TRADE INTERESTS TO THE US.

2. AS REFERENCE IS MADE IN AMBASSADOR WALKER'S LETTER TO THE DECISION TAKEN AT THE MEETING OF GROUP "AGRICULTURE" ON 16 DECEMBER, 1975, WE TAKE IT TO MEAN THAT THE US ALSO WISHES TO HOLD CONSULTATIONS WITH US ON AGRICULTURAL PRODUCTS ON THE BASIS OF THAT DECISION. HOWEVER, WE ARE DOUBTFUL IF THE US REQUEST IN THIS RESPECT IS IN FULL CONFORMITY WITH THE DECISION. AS WAS CLEARLY RECORDED IN THE MTN DOCUMENT MTN/AG/4, THE PROCEDURE AGREED TO AT THAT TIME IS APPLICABLE ONLY TO THE AGRICULTURAL PRODUCTS OTHER THAN THOSE DEALT WITH IN THE THREE PRODUCTS SUB-GROUPS, "MEAT", "DAIRO PRODUCTS" AND "GRAINS", AND TO THOSE AGRICULTURAL PRODUCTS UPON WHICH COUNTRIES MAKING REQUEST HAVE DIRECT TRADE INTERESTS. THE QUANTITATIVE RESTRICTIONS WHICH JAPAN MAINTAINS ON SUCH PRODUCTS AS MEAT OF BOVINES, SOME DAIRY PRODUCTS, CEREAL FLOUR, ETC. ARE LISTED IN THE US REQUEST LIST. THESE PRODUCTS FALL CLEARLY, IN OUR VIEW, UNDER THE TERMS OF REFERRNCE OF THE THREE PRODUCT SUB-GROUPS AND AS A MATTER OF FACT, THESE PRODUCTS HAVE ALREADY BEEN SUBJECT TO INTENSIVE DISCUSSIONS IN COUNTRY-BY-COUNTRY EXAMINATIONS IN THE RESPECTIVE PRODUCT SUB-GROUPS.

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IT SHOULD ALSO BE NOTED THAT THE SAID PROCEDURE IS APPLICABLE NOT ONLY TO QUANTITATIVE RESTRICTIONS BUT ALSO TO ANY TARIFF OR NON-TARIFF MEASURES AFFECTING AGRICULTURAL PRODUCTS. HOWEVER, LOOKING AT THE US REQUEST LIST, IT IS NOT CLEAR IF THE US IS INTERESTED IN ANY OF THE JAPANESE TARIFF OR NON-TARIFF MEASURES AFFECTING AGRICULTURAL

PRODUCTS OTHER THAN QUANTITATIVE RESTRICTIONS.

3. "RESTRICTIONS ON FOREIGN INVESTMENT IN THE ESTABLISHMENT OF RETAIL OPERATIONS, ETC." AND "LACK OF PROTECTION TO FOREIGN PATENTS, DESIGNS, MARKS AND UTILITY MODELS" ARE ALSO NOTIFIED IN THE US REQUEST LIST TO JAPAN.

WE ARE OF THE VIEW, HOWEVER, THAT THESE TYPES OF MEASURES ARE SUBJECT NEITHER TO THE CONSULTATION PROCEDURE AGREED IN SUB-GROUP "QUANTITATIVE RESTRICTIONS" NOR TO THAT AGREED IN GROUP "AGRICULTURE".
END QUOTE.

3. DRAFT RESPONSE FOLLOWS: QUOTE DEAR MR TERADA:
I REFER TO YOUR LETTER OF MARCH 8 RESPONDING TO OUR REQUEST TO INITIATE QR CONSULTATIONS BETWEEN OUR GOVERNMENTS. IF I MAY, I WOULD LIKE TO MAKE THE FOLLOWING COMMENTS ON THE POINTS RAISED IN YOUR LETTER.

IN YOUR FIRST POINT, YOU CORRECTLY STATE THAT THE CONSULTATIONS SHOULD TAKE PLACE BETWEEN COUNTRIES HAVING A "DIRECT TRADE INTEREST IN THESE RESTRICTIONS". FROM THE POINT OF VIEW OF MY GOVERNMENT, IT IS UP TO EACH INDIVIDUAL COUNTRY TO DETERMINE WHETHER OR NOT A DIRECT TRADE INTEREST IN A RESTRICTION EXISTS. SUCH AN INTEREST MAY EXIST WHEN A COUNTRY EITHER PRODUCES OR EXPORTS A PRODUCT, WHETHER OR NOT IT IS IMPORTED BY A PARTICULAR COUNTRY MAINTAINING A RESTRICTION ON THAT ITEM. IN THE COURSE OF OUR CONSULTATIONS WE WOULD BE HAPPY TO POINT OUT THE EXTENT OF OUR TRADE INTERESTS IN EACH PRODUCT COVERED BY THE QUANTITATIVE RESTRICTIONS MAINTAINED BY JAPAN AND NOTIFIED BY LIMITED OFFICIAL USE

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THE US. AS AN INITIAL STEP, WE HAVE ATTACHED TO THIS LETTER THE LIST OF THE 82 ITEMS REFERRED TO IN OUR NOTIFICATION.

IN THE SECOND POINT IN YOUR LETTER, YOU STATE THAT SINCE THE PRODUCTS COVERED IN SUBGROUPS MEAT, DIARY PRODUCTS AND GRAINS ARE NOT COVERED BY THE PROCEDURES AGREED TO IN GROUP AGRICULTURE, YOUR GOVERNMENT IS NOT PREPARED TO CONSULT ON THESE PRODUCTS AT THIS TIME. SINCE THIS IS NOT A MATTER WHICH HAS BEEN ENTIRELY RESOLVED, WE WOULD BE WILLING TO DEFER DISCUSSION OF THE QR'S ON THESE ITEMS PENDING SUBSEQUENT AGREEMENT ON HOW THEY SHOULD BE TREATED.

YOU ALSO STATE IN YOUR SECONDPOINT THAT "IT WAS NOT CLEAR IF THE US IS INTERESTED IN ANY OF THE JAPANESE

TARIFF OR NON-TARIFF MEASURES AFFECTING AGRICULTURAL PRODUCTS OTHER THAN QR'S." THE US BELIEVES THAT THE NOTIFICATION/CONSULTATION PROCEDURE IS NOT A ONE-TIME OCCURANCE BUT A PROCESS WHICH MAY CONTINUE DURING THE COURSE OF THE NEGOTIATIONS. INDEED, WE MAY WISH TO MAKE ADDITIONAL NOTIFICATIONS ON OTHER MEASURES AS THE NEGOTIATIONS PROGRESS. AT THE MOMENT, HOWEVER, WE ARE LIMITING OUR NOTIFICATIONS AGAINST JAPAN TO THOSE CONTAINED IN OUR LETTER OF JUNE 1975.

IN THE THIRD POINT IN YOUR LETTER YOU STATE THAT CERTAIN OF THE QR'S NOTIFIED BY THE US ARE NOT, IN YOUR VIEW, SUBJECT TO THE CONSULTATION PROCEDURES REFERRED TO IN OUR LETTER. THE US CONSIDERS THESE MEASURES TO BE IMPORTANT NON-TARIFF BARRIERS AND AN IMPEDIMENT TO INTERNATIONAL TRADE. FOR THIS REASON, WE ARE ANXIOUS TO DISCUSS THESE JAPANESE PRACTICES AT AN EARLY DATE. IN THIS CONNECTION, WE WOULD BE PLEASED TO CONSIDER ANY JAPANESE SUGGESTIONS AS TO HOW CONSULTATIONS ON THESE SUBJECTS COULD BE INITIATED. END QUOTE

4. ACTION REQUESTED: WE NOTE THAT NTB DATA BASE ITEM (4A-1 JAPAN) ALSO STATES THAT 82 4-DIGIT BTN CATEGORIES ARE STILL SUBJECT TO QR'S AS DOES US NOTIFICATION. LIST ATTACHED TO INVENTORY ITEM, HOWEVER, CONTAINS ONLY 64 ITEMS SOME OF WHICH LIMITED OFFICIAL USE

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ARE NOT FOUR DIGITS. PLEASE INDICATE TO US ADDITIONAL ITEMS AS SOON AS POSSIBLE. WALKER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NONTARIFF BARRIERS, DIPLOMATIC COMMUNICATIONS, TRADE CONTROLS, AGRICULTURAL COMMODITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MTNGE01784
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Date: 07 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2004 by woolflhd>; APPROVED <27 SEP 2004 by saccheem>
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Margaret P. Grafeld
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04 MAY 2006

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